





# Why This Matters

## You're approaching 65 or already Medicare-eligible

- Medicare becomes your primary health insurance
- You have important decisions to make within specific timeframes
- The choices you make affect your costs, coverage, and healthcare access
- **Missing deadlines can result in permanent penalties**

Today's Goal: Help you understand your options and make an informed choice



## Medicare Basics - What You Need to Know

### What is Medicare?

- Federal health insurance for people 65+ and some under 65 with disabilities
- Administered by the government, but many services provided by private companies
- Different from Medicaid (which is need-based assistance)

### Key Facts:

- You must actively enroll (it's not automatic for most people)
- You have choices that affect your costs and coverage
- Some decisions have limited enrollment periods

# Your Two Main Paths

## Path 1: Original Medicare + Add-ons

- **Original Medicare** (Parts A & B) from the government
- **Plus** Medicare Supplement insurance (Medigap)
- **Plus** Part D prescription drug plan

## Path 2: Medicare Advantage

- **Medicare Advantage** (Part C) from private companies
- Replaces Original Medicare
- Usually includes prescription drugs
- Often includes extra benefits



**Important: You cannot have both Original Medicare + Supplement AND Medicare Advantage**



# Path 1 - Original Medicare Overview

## Part A - Hospital Insurance

- Hospital stays, skilled nursing facilities
- Hospice care, some home health care
- **Premium:** \$0 for most people
- **2025 Deductible:** \$1,676 per benefit period
- **Your Cost:** 20% after deductible (no maximum limit)

## Part B - Medical Insurance

- Doctor visits, outpatient care, preventive services
- Medical equipment, some home health care
- **2025 Premium:** \$185/month (deducted from Social Security)
- **2025 Deductible:** \$257
- **Your Cost:** 20% after deductible (no maximum limit)

# Path 1 - What You Need to Add

## Medicare Supplement (Medigap)

- Why you need it: Original Medicare leaves you paying 20% of costs with no limit
- Helps pay your share of Original Medicare costs
- Standardized plans (same benefits regardless of insurance company)
- **Must enroll within 6 months** of getting Part B to guarantee acceptance
- Monthly premium varies by company and plan type

## Part D - Prescription Drug Coverage

- Separate plan needed for prescription medications
- **2025 Maximum Deductible:** \$590
- **2025 Out-of-pocket maximum:** \$2,000
- **Late enrollment penalty** if you delay without other coverage

## Path 2 - Medicare Advantage Overview

### How Medicare Advantage Works

- **Replaces** Original Medicare (you still have Medicare, but through a private plan)
- Must include everything Original Medicare covers
- Usually includes prescription drugs
- Often includes dental, vision, hearing aids
- May include extras like gym memberships, transportation



### Key Features

- **Network-based:** Usually must use plan's doctors and hospitals
- **Premiums:** Often \$0, but varies by plan
- **Cost-sharing:** Copays and coinsurance with annual out-of-pocket maximum
- **Coverage area:** Limited to specific geographic regions

# Medicare Advantage Plan Types

## Most Common Types:

### **HMO (Health Maintenance Organization)**

- Must use network providers
- May need referrals for specialists
- Lowest cost option typically

### **PPO (Preferred Provider Organization)**

- Can go outside network (but costs more)
- No referrals needed
- More flexibility, higher costs

### **Other Types Available:**

- PFFS (Private Fee-for-Service)
- MSA (Medical Savings Account)
- Cost Plans (limited availability in MN)



# Comparing Side by Side

Feature	Original Medicare + Supplement	Medicare Advantage
<b>Monthly Cost</b>	Higher premiums	Often \$0 premium
<b>When You Pay</b>	Little to no cost-sharing	Copays for each service
<b>Doctor Choice</b>	Any doctor accepting Medicare	Network doctors primarily
<b>Prescription Drugs</b>	Separate Part D plan needed	Usually included
<b>Extra Benefits</b>	Limited	Often includes dental, vision, hearing
<b>Travel</b>	Works nationwide + overseas emergencies	Limited to plan area
<b>Changing Plans</b>	Supplement hard to change later	Can change annually

# Decision-Making Factors

## **Choose Original Medicare + Supplement If:**

- You want maximum doctor choice
- You travel frequently or live part-time elsewhere
- You prefer predictable costs
- You have ongoing health conditions requiring specialist care
- You can afford higher monthly premiums

## **Choose Medicare Advantage If:**

- You want to minimize monthly premiums
- You're comfortable with network restrictions
- You want dental, vision, and other extras included
- You prefer an annual out-of-pocket maximum
- You stay in one geographic area

# Important Enrollment Periods

## Initial Enrollment Period

- **When:** 7 months around your 65th birthday (3 months before, birthday month, 3 months after)
- **What:** Enroll in Medicare Parts A & B
- **Consequence of missing:** Permanent penalties

## Open Enrollment (October 15 - December 7)

- Change Medicare Advantage plans
- Change Part D prescription plans
- Switch from Advantage back to Original Medicare

## Medigap Open Enrollment

- **When:** 6 months from when you first get Part B
- **Important:** Guaranteed acceptance regardless of health
- **After this period:** May be denied or charged more

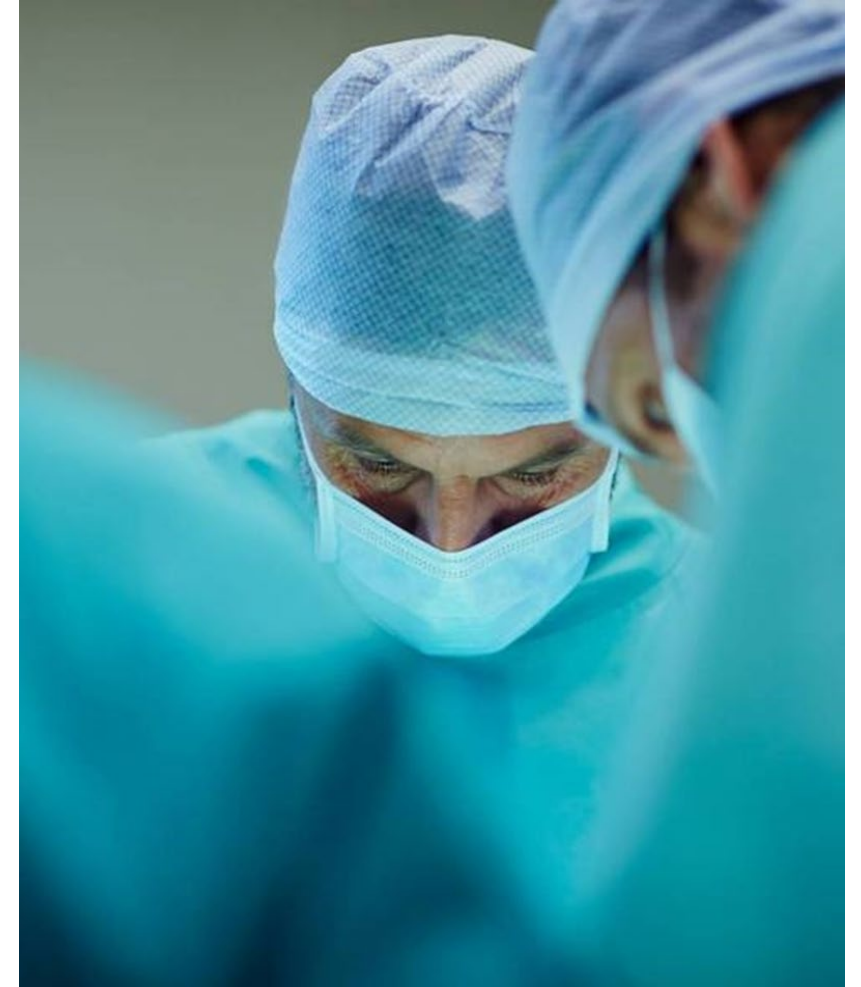
# Common Mistakes to Avoid

## Costly Errors:

1. Delaying Part B enrollment without other coverage (10% penalty for life for every 12 months)
2. Missing Medigap open enrollment (may be denied coverage later)
3. Not comparing Part D plans annually (formularies and costs change)
4. Assuming Medicare Advantage is always cheaper (consider total annual costs)
5. Not understanding network restrictions with Advantage plans

## Red Flags:

- Anyone pressuring you to enroll immediately
- Plans that seem "too good to be true"
- Unsolicited calls or door-to-door sales



# Your Next Steps

## Before You Enroll:

1. List your current medications and preferred pharmacies
2. Identify your preferred doctors and hospitals
3. Consider your budget for both premiums and potential out-of-pocket costs
4. Think about your health needs and likelihood of travel

## Resources:

- **Medicare.gov** - Official Medicare plan finder
- **1-800-MEDICARE** - Official Medicare helpline
- **State Health Insurance Program (SHIP)** - Free local counseling
- **Lakes Health Insurance: 763.292.9837 - Licensed agent assistance**

## Timeline:

- **3 months before age 65:** Start researching options
- **Birthday month:** Enroll in Medicare Parts A & B
- **Within 6 months of Part B:** Enroll in Medigap if choosing Original Medicare



# Questions to Ask Yourself

## **Coverage Questions:**

- Do I want to keep my current doctors?
- How important is it to have coverage when traveling?
- Do I need dental, vision, or hearing aid coverage?
- What prescription medications do I take?

## **Financial Questions:**

- Do I prefer predictable monthly costs or lower premiums with variable costs?
- What's my budget for healthcare premiums?
- How much can I afford for out-of-pocket medical expenses?

## **Lifestyle Questions:**

- Do I spend time in multiple states?
- Am I comfortable navigating insurance networks?
- Do I prefer comprehensive coverage or minimal monthly costs?

# Contact Information & Legal Disclaimers

## Lakes Health Insurance

**Phone:** 763.292.9837 **Service Area:** Minnesota

### Important Legal Information:

- Lakes Health Insurance is not affiliated with or endorsed by the federal Medicare program
- We represent 10 organizations offering 54 products in your area
- We do not represent every plan available
- For complete options, contact Medicare.gov, 1-800-MEDICARE, or your local SHIP program

### Complaint Process:

- Medicare complaints: 1-800-MEDICARE (24/7)
- Agent/broker complaints: Include name when filing with Medicare
- Plan member complaints: Contact your health plan directly

\*Plans subject to Medicare contract renewal annually

# Comparing different Medicare options

	Original Medicare Part A	Original Medicare Part B	Part C Medicare Advantage	Part D PDP	Medigap/Medicare Supplement
Hospital Care	✓	✓	✓		✓
Doctor Visits		✓	✓		✓
Preventive Care		✓	✓		✓
Out of pocket maximum			✓ *	✓ *	✓
Prescription Drug Coverage			✓ *	✓	
Extra Benefits			✓		✓ *

\* Not all plans offer coverage for this benefit

# Medicare - Part A Details

## 1. In Patient hospital care

- a. Semi-Private Room
- b. Meals
- c. General Nursing
- d. Other Hospital Services / Supplies
- e. Inpatient rehab
- f. Inpatient Mental Health in Psych hospital (lifetime 190-day limit)

### Inpatient Stay Copays

- 1 – 60 Days \$0 after deductible
- 61 – 90 Days \$419/Day
- 91 – 150 Days \$838/day using 60 lifetime reserve days.

## 2. Skilled Nursing Facility (SNF)

After a related 3-day inpatient hospital stay if you meet all the criteria.

## Part A helps cover:

- Blood (Inpatient) 3 pints
- Certain inpatient non-religious, nonmedical health care in approved religious nonmedical institutions (RNHCIs)
- Home health care (post inpatient > 2 days ordered by your Dr.)
- Hospice care

## Not covered

- Private duty nursing
- Private room (unless medically necessary)
- TV & Phone (if there is a separate charge)
- Personal care items (razors, slipper socks)

# Original Medicare - Part B Details

- Doctors' Services
- Outpatient medical and surgical services and supplies
- Clinical lab tests
- Durable medical equipment (DME)  
May need to use certain suppliers
- Diabetic testing & supplies
- Preventive Services i.e. flu shots, yearly wellness visit
- Home health care (when ordered by Dr.)
- Medically necessary outpatient PT/OT, speech-language services
- Outpatient mental health care services

## Not covered

- Prescription medications that are not injected or transfused by a clinician.
- Over The Counter Medications (OTC)

- Monthly premium 2025: **\$185**
- Deductible 2025: **\$257**
- 80%/20% after deductible
- No cap on out-of-pocket costs for the 20% you are responsible for
- **NOTE:** 10% penalty for late enrollment per 12 months late for life.



# Comparing Advantage to Supplement

Medicare Advantage Plan		Original Medicare + Supplement Plan
<ul style="list-style-type: none"> <li>Monthly Premiums as low as \$0</li> <li>Usually has copays/coinsurance</li> <li>Annual out of pocket max for financial protection</li> </ul>	<b>\$ Costs</b>	<ul style="list-style-type: none"> <li>Higher monthly premium</li> <li>No copays/coinsurance with certain plans</li> </ul>
Includes Medicare Part A and Part B coverage with some copays, co-insurance and Max out of pocket	<b>Medical</b>	Includes Medicare Part A and Part B coverage and fills most of the cost sharing gaps for original Medicare
See in-network providers for lowest cost	<b>Network</b>	See any provider who accepts Medicare assignment
Part D prescription drug coverage <b>included</b>	<b>Rx</b>	Part D prescription drug coverage <b>not included</b> ; Purchase a stand-alone Part D plan to go with your Supplement plan for additional cost
Dental benefits may be <b>included</b>	<b>Dental</b>	Dental benefits <b>not included</b>
Nationwide travel up to 12 consecutive months and access to in-network providers and prescription support	<b>Travel</b>	Unlimited nationwide coverage, plus foreign travel emergency coverage. Plan can move with you to another state.
Hearing aid benefits may be <b>included</b>	<b>Hearing</b>	Hearing aid benefits <b>not included</b>
Vision benefits may be <b>included</b>	<b>Vision</b>	Vision benefits <b>not included</b>